

Voluntary Report - public distribution

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Malaysia

Oilseeds and Products

Update (September)

2003

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Report Highlights:

Malaysia's CPO production rose 1.2% to 1.3 MMT in August 2003. Carry-over stocks level at the end of August declined to 1.0 MMT mainly due to strong PO exports, which rose to 1.19 MMT in August. Average local CPO price rose from US\$367/MT in August to US\$378/MT in September.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Kuala Lumpur [MY1]
[MY]

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Executive Summary

Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production rose by 1.2 percent from 1.28 MMT in the month of July to 1.3 MMT in August 2003. Output in the Peninsula declined by 2.5 percent in August while East Malaysia's production increased by 7.2 percent. Compared to August 2002, output during August 2003 was 16 percent higher. Despite the small setback in the Peninsula's output in August, Post expects the total CPO output to reach 13.3 MMT in 2002/03.

Price

Influenced by news of lower expectations in the supply of soy output in the U.S., the monthly average CPO price rose from US\$367/MT in August to US\$378/MT in September 2003. For comparison, the average CPO price for September 2002 was US\$392/MT. The RBD Palm Oil FOB average price also rose from US\$393/MT in August to US\$400/MT in September.

Stocks

The strong growth in PO exports and an increase in domestic disappearance resulted in the PO stock level contracting to 1.01 MMT at the end of August. With further anticipated increases in CPO output in the coming month, Post's forecast of a carry-over stocks level of 1.17 MMT by the end September remains intact.

Trade

Preliminary official PO exports rose 3.0% from 1.15 MMT in July to 1.19 MMT in August.

Annual Situation

PS&D table for palm oil remains unchanged since the submission of MY3045.

	Revised 2001/02	Prelim 2002/03	Forecast 2003/04
(1,000 tons)			
Beg Stock	1,216	1,149	1,170
Production	11,858	13,300	13,700
Imports	325	450	350
Total Supply	13,399	14,899	15,220
Exports	10,163	12,030	11,500
Domestic Use	2,087	1,699	2,420
Ending Stock	1,149	1,170	1,300

Quarterly Outlook for Palm Oil

	2002 1/	2003 2/	2002 1/	2003 2/
	Apr-Jun	Apr-Jun	Jul-Sep	Jul-Sep
Beg Stocks 3/	1171	1011	913	995
Prod- Pen. Mal	1622	2151	2064	2480
- East Mal	1110	1330	1304	1520
- Total	2732	3481	3368	4000
Imports	33	63	111	100
Total Supply	3936	4655	4392	5095
Exports 4/	2651	3107	2629	3495
Dom Disap 5/	372	453	614	430
End Stocks	913	995	1149	1170

1/ Revised;

2/ Forecast;

3/ Stocks including crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate
and all intra-Malaysia trade;

5/ residual

Production

	2002	2002	2003	2003	2003
	Aug	Jan-Aug	Jul /1	Aug	Jan-Aug
(In 1,000 MT)					
CPO:					
Pen. Malaysia	686	4483	793	773	5307
East Malaysia	431	2977	490	525	3370
- Total /1	1117	7460	1283	1298	8677
Palm Kernel : Malaysia	311	2064	343	346	2367
Palm Kernel Oil: Malaysia	129	928	159	159	973
Palm Kernel Meal: Malaysia	150	1080	183	183	1246

1/ Revised

Prices

(Crude delivered basis; RBD Oils in Bulk, FOB Malaysia)

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Sep 2002	1403	388	402	352
Oct	1388	379	394	343
Nov	1566	422	438	383
Dec	1627	438	454	396
Jan	1654	437	459	395
Feb	1617	434	449	395
Mar	1503	410	421	372
Apr	1460	400	415	355
May	1480	402	424	339
Jun	1513	416	441	342
Jul	1500	414	442	338
Aug /1	1393	393	420	317
Sep 2003 (till 27 th)	1436	400	427	320

1/ Revised

Exchange Rate: Pegged at RM3.799 to US\$1.00 since 1998

Stock

	2002	2003	2003	2003
	Aug	Jun	Jul 1/	Aug
(In 1,000 MT)				
Crude P. Oil	584	464	495	500
Processed PO	510	531	522	512
- Total PO	1094	995	1017	1012
Palm Kernel	126	123	115	114
P. Kernel Oil	279	245	265`	225

/1 Revised